

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 IO-13 ISO-00 FEA-01 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15
STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01
/101 W

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R 281853Z JAN 77
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 0039
INFO USMISSION EC BRUSSELS
USMISSION GENEVA
USDEL MTN GENEVA
USMISSION OECD PARIS

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E.O.11652: N/A
TAGS: ETRD, UK, US, EEC
SUBJECT: UK CHARGES DUMPING OF PRINTED CIRCUIT BOARD
DRILLS BY U.S. FIRM

SUMMARY. A UK FIRM HAS REQUESTED THAT ANTIDUMPING DUTIES
BE IMPOSED ON IMPORTS OF PRINTED CIRCUIT BOARD DRILLS
FROM THE U.S. DEPARTMENT OF TRADE (DOT) HAS ACCEPTED
COMPLAINT ON THE BASIS OF PRIMA FACIE EVIDENCE OF IMPORTS
BELOW FAIR MARKET PRICE AND MATERIAL INJURY TO UK IN-
DUSTRY. PRESS ANNOUNCEMENT WILL BE MADE FEBRUARY 4. END
SUMMARY.

1. EMBASSY OFFICER WAS CALLED TO DOT JANUARY 28 TO BE
GIVEN ADVANCE NOTIFICATION THAT A UK FIRM, CIRBO LTD.,
HAD APPLIED TO HAVE ANTIDUMPING DUTIES IMPOSED ON IM-
PORTS OF PRINTED CIRCUIT BOARD DRILLS FROM TULON INC. OF
GARDENA, CALIFORNIA. COMPLAINT ALLEGES THAT:

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(A) PRINTED CIRCUIT BOARD DRILLS ORIGINATING IN THE U.S.
ARE BEING EXPORTED TO THE UK AT PRICES BELOW THE FAIR
MARKET PRICE APPROPRIATE TO THE U.S.;
(B) THIS PRACTICE CONSTITUTES DUMPING AS DEFINED IN
SECTION 1 OF THE UK CUSTOMS DUTIES (DUMPING AND SUBSID-
IES) ACT OF 1969;
(C) AS A RESULT, MATERIAL INJURY HAS BEEN CAUSED AND

FURTHER INJURY IS THREATENED TO THE UK INDUSTRY.

2. DOT HAS ESTABLISHED TO ITS INITIAL SATISFACTION THAT PRIMA FACIE EVIDENCE INDICATES PRINTED CIRCUIT BOARD DRILLS ORIGINATING IN THE U.S. ARE BEING IMPORTED INTO THE UK AT ABOUT 13-21 PENCE (23-36 CENTS) BELOW FAIR MARKET PRICE FOR EACH DRILL. ACCORDING TO DOT THIS REPRESENTS A MARGIN OF 16-21 PERCENT BELOW THE FAIR MARKET PRICE. (FYI. PRINTED CIRCUIT BOARD DRILLS ARE SPECIAL PRECISION DRILLS MADE FROM TUNGSTEN CARBIDE ROD AND USED FOR DRILLING HOLES IN PRINTED CIRCUIT BOARDS FOR INCORPORATION INTO EQUIPMENT PRODUCED BY THE COMPUTER, ELECTRONICS AND VARIOUS OTHER INDUSTRIES.)

3. CIRBO HAS PROVIDED DOT WITH DATA CLAIMING TO SHOW THAT "IMPORTS FROM THE U.S. ARE CAUSING MATERIAL INJURY AND THREATENING FURTHER MATERIAL INJURY TO THE UK INDUSTRY IN THAT SALES ARE BEING LOST TO THE ALLEGEDLY DUMPED IMPORTS." DOT HAS STATED THAT INFORMATION THEY HAVE INDICATES A LOSS TO THE MAJOR UK PRODUCER (CIRBO) OF 20 PERCENT BY VOLUME OF SALES, DESPITE THE CLOSURE OF A MINOR UK PRODUCER. THE CUMULATIVE EFFECT OF LOST SALES AND DEPRESSED PRICES HAS ALLEGEDLY RESULTED IN A SERIOUS LOSS OF PROFITABILITY TO THE UK COMPLAINANT FIRM AND THERE IS A SUBSTANTIAL DANGER OF THE MAIN UK PRODUCER GOING OUT OF BUSINESS. THE EXACT COST/SALES DATA SHOWING MATERIAL INJURY ARE CONFIDENTIAL BETWEEN UK FIRMS AND DOT, BUT DOT IS SATISFIED THAT A PRIMA FACIE CASE HAS BEEN MADE.
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4. WE UNDERSTAND THERE IS ONLY ONE OTHER U.S. FIRM, "METAL REMOVAL," WHICH EXPORTS PRINTED CIRCUIT BOARD DRILLS TO THE UK. WE HAVE LITTLE FURTHER INFORMATION ON THIS COMPANY EXCEPT THAT THE QUANTITIES INVOLVED ARE SMALL AND THERE IS NO ALLEGATION OF DUMPING IN THE UK.

5. THE BASIC UK PROCEDURE FOR HANDLING DUMPING COMPLAINTS ADHERES VERY CLOSELY TO THE GATT ANTIDUMPING CODE. THERE ARE NO TIME LIMITS ON THE VARIOUS STEPS FOLLOWED BY THE UK, AS THERE ARE WITH THE USG UNDER THE TRADE ACT OF 1974.

ARMSTRONG

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ELECTRONIC EQUIPMENT, TRADE COMPLAINTS, DUMPING (TRADE)
Control Number: n/a
Copy: SINGLE
Sent Date: 28-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LONDON01618
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770032-0910
Format: TEL
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977019/aaaaahiv.tel
Line Count: 111
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Litigation Codes:
Litigation History:
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Message ID: 0af2e4dd-c288-dd11-92da-001cc4696bcc
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Original Classification: LIMITED OFFICIAL USE
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Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 11-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
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Review Withdrawn Fields: n/a
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Secure: OPEN
Status: NATIVE
Subject: UK CHARGES DUMPING OF PRINTED CIRCUIT BOARD DRILLS BY U.S. FIRM SUMMARY. A UK FIRM HAS REQUESTED THAT ANTIDUMPING
TAGS: ETRD, UK, US, EEC
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/0af2e4dd-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
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